STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
September 2008

Date: October 20, 2008

To: All Civil Service/Exempt Departments

From: State Controller's Office
Cynthia Rounds, Manager
Ann Mitchell, Manager
Personnel/Payroll Operations
(916) 324-6290/322-7978

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the September 11, 2008 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the November 13, 2008 meeting.

We would like to thank those department representatives that participated in the September meeting for their time and effort. There were 41 representatives from 29 departments that participated in this meeting.

Personnel/Payroll Review Committee
September 2008 Meeting Notes

Cynthia Rounds called the meeting to order at 1:30.

Departments Represented:

Alcohol and Drug Programs, California Highway Patrol, California State Library, California Student Aid Commission, CalPERS, Child Support Services, Community Services & Development, Corrections, Developmental Services, Finance, Financial Institutions, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, Industrial Relations, Inspector General, Justice, Lottery, Mental Health, Office of Systems Integration, Pest Regulation, Public Health, Secretary of State, State Controller's Office, State Treasurer's Office, Statewide Office of Health Planning, Technology Services, Transportation, and Water Resources.

Old Business:

None.

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved July 2008 meeting notes.

Guest Speaker:

Pat Quinn, 21st Century Project:

Pat gave an overview of the following 21st Century Project Letter #08-007

DATE: September 10, 2008
TO: 21st Century Project Department Stakeholders
FROM: Don Scheppmann, Project Executive
21st Century Project
RE: Update on the 21st Century Project

Early this summer, over 300 people attended the 21st Century Project Stakeholder Meetings in Sacramento, San Francisco, and Los Angeles. During these events, we delivered a project overview, discussed team activities and accomplishments, and provided a system demonstration on the Personnel Administration enterprise structure. These enterprise structures align employees within organizations and allow the system to pay the correct salary, on time. The structure also facilitates reporting and workflow analysis for human resources processes and payroll procedures. The enterprise structure demonstration was well received and increased interest and support from the event attendees. If you did not attend these events, we recommend you review our presentation at this site:

http://www.21stcentury.ca.gov/meetings/state/stakeholder200806.pps.

Leadership Update: As we enter this critical stage of implementation, we are fortunate to have obtained talented personnel in key leadership positions that will help the 21st Century Project succeed. We added a new Project Director in *Dave Dawson*, a long-time and highly respected State Controller's Office Information Technology Division Chief. Another well regarded project management expert, *Cheryl Hotaling,* worked with State Controller's Office legacy systems for a number of years and worked in private sector Information Technology as well. She is currently the Acting Project Manager.

Branding Announcement: While some of you may already be aware, I want to formally announce the name of the new Human Resources Management /Payroll system. The system name is "MyCalPAYS." The MyCalPAYS *brand* has two components: (1) the system name – "MyCalPAYS," and (2) the logo. The *system name* has three references. "My" refers to the employees of the state government. "Cal" refers to the state of California. And "PAYS" refers to the core functions of the system – payroll and human resources. We expect to use the logo on a variety of communications and will brand our Employee Self-Service/Manager Self-Service Portal Interface with the logo as well. When a user logs onto MyCalPAYS to use the Employee Self-

Service/Manager Self-Service functionalities, the user will be greeted with the logo confirming they are in the correct system.

Organizational Readiness Team Activities: Organizational Readiness links the 21st Century Project with you, our external customers and stakeholders. In July, our Deployment Team held seven *Department Support Team (DST) Kick-Off* sessions and eleven *Cycle 1 Data Collection Showcases*. In August, two *DST Coordinator Chats* sessions were held to answer questions and evaluate department progress on data collection activities. The presentations and materials for all events are available for download under the Tools and Templates section of our deployment page: http://www.21stcentury.ca.gov/deployment/index.shtml. Recently, due to data conversion challenges and the shortage of temporary workers at the departments, we felt it was prudent to temporarily suspend data collection tasks. We will notify departments once we revise our schedule. In the meantime, we encourage agencies/departments to continue updating their organization charts to streamline data collection activities once they are reinitiated.

Business Team Activities: The Time, Benefits, Personnel Administration, Organization Management and Payroll Teams continue to design and configure MyCalPAYS. At this time, MyCalPAYS is over 70% configured. We continue to work together to ensure that all design considerations have appropriate solutions. The Payroll Team is gathering report and interface information so that these functionalities can be readily available at Go-Live. The Time Team is leading the effort for time systems inbound interfaces and will conduct a kickoff session in the fall for Information Technology professionals.

Pat was asked if there was a timeframe to start up the data collection tasks again.

Answer: There is no set date at this time.

Question: What departments will be in the pilot?

Answer: We believe that information will be out soon. We are trying to get the best cross section possible. We are anticipating increasing the size of the pilot group a little. The SCO will be in the pilot group.

Pat introduced us to Kathy James as the deployment manager. She came on board with the SCO the beginning of August and will be attending future PPRC meetings.

SCO Update:

Ann Mitchell addressed the following information:

IMPORTANT REMINDER

The forms **STD 692** and **STD 700** have been revised. The new revisions are available from DGS in both paper and fill and print formats.

Please note that the location of certain items has been changed:

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
September 2008

Form STD 692 - the social security number is now below item 3 in item #6.
There are changes to section E. The party code moved to E-3 and pay period moved to E-4. It is very important that the entire form be completed correctly.

Form STD 700 is changed, care should be taken when completing.
The social security number is now in item 1; below this are items 2-5, marital status, sex, employee name and address. Item 6, date of birth, is on the upper right. Type of action is below date of birth in item #7.

PPSD will not accept revisions of the STD. 692 or the STD. 700 prior to the 2/2008 version after **10-1-08**. Please reference PML 2008-23 dated 8-11-08.

Please begin using the new forms prior to Open Enrollment. If using the fill and print form 692, you **MUST** include a second copy for the carrier.

Please review documents prior to submission for accurate and complete information.

The project to develop revised form 692 was driven by CalPERS' need to have the social security number in a place where it did not show through the window in their envelope.

Garnishment documents: The only time we need a copy of **any** supporting documents and/or a court order attached is when you are submitting a PPSD638. We have to review everything attached and confidentially destroy volumes of paper everyday because of unnecessary back up information. This would also cut down on the copies you have to make.

The CD88 is not the correct form for employees to change/cancel their deductions. The employee should contact the deduction company and arrange for any modifications. The CD88 form is for deduction companies to use to report the requested changes. Employees should never use a CD88.

Domestic partners and same sex marriage: It is the agencies' responsibility to complete the party code correctly for these employees' families. We receive many documents that use the party code 2 stating that the employee is registered with the Secretary of State. This is incorrect; they must complete the DPA680 if the partner is economically dependant. Notification to the employer should then prompt documentation to our office. This will result in a change to the employee's payroll master file which contains specific information related to the imputed tax issue. Within our system, this is tied to the party code for the specific benefit deduction.

Please refer to PML 2008-017, PPM section H 690 (693) and the BAM section 500 attachment H 4. If you have questions you can call Bryan Bruno at DPA. His telephone number is 916-445-9841.

If you need to call the SCO Benefits Unit please call the liaison number at 916-323-4718 and not individual staff. We have rearranged the work and everything should go through the liaison unit first and then is assigned to specific staff.

When submitting a 674A/R for a method of collection change (from agency collection to payroll deduction) please state that in the remarks section of the 674A/R.

When submitting an FMLA 674A/R (payment type K for benefits) please provide the following: deduction company, organization code, party code, whether or not the employee is CoBen and/or is a vested employee. Make sure pay isn't going to issue for that month before you submit the 674A/R. We had to send a lot of documents back in prior months because regular pay had issued.

The following bargaining units are eligible to use leave credits to satisfy or offset accounts receivables effective 7/1/2003: 1, 4, 5, 6, 11, 14, 15, 19 and 20. Effective 7/1/2006 bargaining units 3, 17, and 21 are also eligible but only if the A/R is due to SDI. The 674A/R must state in remarks it's a 7K employee BU6 (a different formula is used) or if it's a bargaining unit 3, 17, or 21 and the A/R is due to SDI.

Before you submit any benefits document, especially a dental document, please look them over carefully prior to sending them to us. Out of a sample of 4,000 forms STD. 692 25% were submitted with errors; i.e. 46 were not signed, 312 had more than 1 error, and 159 had no carrier copy attached.

Cindy Rounds addressed the following information:

Disability Documents: All pay except for overtime (for disability) must be certified on a 674D. Overtime should be requested on a 671 with a PIP transmittal attached.

If you call for the status of a document and you get voice mail please leave all the necessary research information as well as whether or not the document was faxed or mailed to us. This information makes a difference in where we look to locate the document.

An S50 is a beginning of business transaction; item 215 must reflect SDI so there's no confusion if the employee is out on disability or out on a leave of absence. Also the S50 expires after one year so if the employee is going to be on SDI longer than that you need to key another transaction at the end of that year.

We are correcting a mistake in Section E805 of the PPM. Completing a 674D for an employee off on SDI and working while on – item 6 says it does not have to be completed. This is incorrect, it **must** be completed. Item 6 must show the dates and hours the employee has worked during the pay period.

When an employee wants time off on Parent/Family Leave to bond with a child; if they do not apply for SDI they cannot supplement. Supplementation is a benefit with SDI.

If an agency keys IDL 2/3's and supplementation and the 2/3's pay rejects (usually it's because the employee is on ARP) if you then fax us the 674D to key the pay please make sure you tell us you've already keyed it once. It's probably suspended in our system and we can check to make sure we don't release a duplicate payment. This usually happens just during the green cycles at the end of the month when we're processing the currents.

If you need to send us a corrected 674D during the currents and no pay has issued please note that it's a corrected copy on the top of the document so that we can look for the original document and prevent duplicate payments.

Out of history payment requests: item 11 should be completed with all the deductions to be taken and amounts to be withheld.

Retirement unit: They are experiencing a high volume of work due to CalPERS retro adjustments and Corrections premium pay changes. Some of these retro active adjustments are going back a couple of years so it's taking staff, in some cases, an hour and a half per employee and we have a couple of thousand of them. We're working overtime every week to get caught up as soon possible. If you have something that needs immediate attention please give us a call and we will try to help you out.

Civil Service Audits: We no longer receive copies of Stipulated Agreements/Decisions from SPB which, in turn, means the SCO no longer sends PSD171's to the departments. Once you have received an SPB approved stipulation/decision you may submit your documentation along with a copy of the stipulation/decision. Please make sure the employment history, your documentation and the stipulation/decision agree. If there is a discrepancy we can not process it. For example, if the EH shows an S85 (suspension) effective 8/14/08 and the stipulation says the suspension is effective 8/15/08, we will not process it unless you get something from SPB authorizing the SCO to correct the history even though it does not agree with the stipulation.

Again, please ask your staff to write clearly and legibly on incoming documents. These documents are filmed and if the original PAR is not legible it will not film well. Remember to sign the PAR's and include a full phone number (area code, number and extension) where you can be reached if there is a question.

We are backlogged in a majority of our areas: We've had a lot of turnover, new employees that are in training, and more retirements coming before the end of the year. We are trying our best to catch up by working overtime but we are limited on the number of overtime hours available.

Please think about who you would like to see as a guest speaker for a future PPRC meeting.

Question: Our department keyed a retroactive 120 transaction and hasn't seen a transfer of funds yet. How long should we wait before sending in a 674?

Answer: We are currently 12 days backlogged in the employment history area. So if you keyed the transaction today and it didn't automatically occur in the next cycle I would call the liaison unit after 12 days.

Question: So waiting a month would be too long? We also received a 'ding' notice – how come?

Answer: If you have keyed an employment history transaction and you don't see that it has worked you can call the telephone liaison, letting them know what you've keyed and they will write up an inquiry and send it to the appropriate person. What you received wasn't necessarily a ding notice it was probably just telling you that you don't need to send a 674, that we should be working the situation per the employment history message. You run the risk of duplicate payments if we work an EH message and you've sent a 674 and they end up processing in the same cycle.

The departments are completing and sending in a lot of 674's that are not necessary. If you key a PAR to make a salary increase or change of position, under most circumstances, PPSD will process those changes based on our Employment History messages.

Question: I have an employee on military leave for three years and it's going to expire on August 30, 2008. Should I key an extension so he'll get paid?

Answer: No, he's only allowed the difference in his State pay and his military compensation for 730 days; after that he is not entitled to continue to receive the difference under the current legislation.

Question: Could we maybe have someone come and talk about military pay at the next PPRC meeting?

Answer: We will look into that for you.

Question: Have you heard anything about not being allowed to key range changes? I've heard MSA's are okay to key but nothing else until a budget is signed.

Meeting participant: I heard it was an executive ad-hoc meeting and it only applies towards permanent intermittent employees.

Question: In regards to that issue about not keying range changes. I have an employee trying to come back from a medical time base reduction to full time status. Is there any exception for that?

Answer: That would be up to the individual department. If someone is coming back to full time from a medical leave reduction, I don't believe that it is considered a true time base increase. You will need to direct your question to DPA for clarification.

Question: How does the Delta restriction work?

Answer: Employees are eligible after they have completed 24 months of employment without a permanent break during the 24-month qualifying period.

Questions: I have an employee that had 3 non qualifying pay periods. Does she have to start the 24 months over?

Answer: No.

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
September 2008

There was a lot of discussion regarding Delta restriction eligibility and health vesting eligibility. We are going to suspend further comment on these two issues and have DPA benefits staff attend November's PPRC meeting.

We all have situations that have come up over the last few months and have gotten differing information on qualifying periods.

Answer: We will try to get William Page or Bryan Bruno to come speak at the next PPRC meeting to answer all your questions regarding Delta restriction. We will also try to have one of the program benefits analysts come speak.

Next Meeting:

The next meeting is Thursday, November 13, 2008 from 1:30 to 3:00 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cynthia Rounds or Ann Mitchell with pertinent information.

Listed below are the PPRC meeting dates for the 2008 calendar year. All meetings are from 1:30 to 3:00 at the above location.

November 13, 2008

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Ann Mitchell at (916) 323-2539. They can also be reached via email at crounds@sco.ca.gov and anmitchell@sco.ca.gov, respectively.